

**MINUTES**

**OF THE**

**NATURAL RESOURCE COMMISSION**

**TELEPHONE MEETING**

**MARCH 23, 2007**

**WALLACE STATE OFFICE BUILDING**  
**DES MOINES, IOWA**

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## MEETING MINUTES

### CALL TO ORDER

The telephone meeting of the Natural Resource Commission was called to order by Chairperson Schneider at 10:00 a.m. on Friday, March 23, 2007 at the Wallace State Office Building, Des Moines, Iowa

### MEMBERS PRESENT

Joan Schneider  
Carol Kramer  
Lennis Moore  
Elizabeth Garst  
Richard (Kim) Francisco

### MEMBERS ABSENT

Janice Marcantonio

### APPROVE AGENDA

*Motion was made by Commissioner Moore to approve the March 23, 2007 NRC agenda. Seconded by Commissioner Kramer. Motion carried unanimously.*

**AGENDA APPROVED**

### HONEY CREEK RESORT STATE PARK

Linda Hanson, Administrator, Management Services Division, presented the following item.

The following is a brief description of the phasing and packaging of the Honey Creek Resort State Park Construction Projects. Please note that Phase I includes projects where adequate funding is anticipated.

**Phase I/Package 1** was let in December and construction is underway. It includes all clearing and grubbing, the finished golf course with irrigation system, grading of spur roads, sanitary sewer system, water, electrical and telecommunications infrastructure.

**Phase I/Package 2** will be presented on Friday, March 23, 2007 to the Commission. This phase includes 1) construction of the lodge and 2) construction of the cabins.

**Phase I/Package 3** will be let this spring. This phase will include the maintenance building, golf course clubhouse, activity center, picnic/day-use area, boat ramp and courtesy docks, trails, beach, force main and wastewater lagoons, landscaping, paving and miscellaneous items. If bids

for the lodge and cabins are higher than anticipated, some of these items may shift into Phase II and will be dependent upon additional future funding.

**Phase II** currently includes the pedestrian trail bridge linking the two Honey Creek Park Units (estimated at \$3.5 million), and the extension of trails within both park units to provide a cohesive system.

<b>INFORMATION ITEM</b>
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## CONSTRUCTION PROJECTS

Linda Hanson, Administrator, Management Services Division, presented the following item.

Bids were opened March 22, 2007 for the following projects:

### Honey Creek Resort State Park, Appanoose County – Lodge Construction

This project consists of construction of a 108 unit hotel with great room, aquatic center, restaurant/bar and conference center with total square footage of 127,900 square feet and incidental work as required by the Plans. Project is budgeted 100% in Honey Creek Resort Fund (see capital link item #171). DNR estimate is \$13,500,000. Fifty-two sets of Plans were issued.

The Hanson Company, Inc.	Johnston, IA	<u>Total of Base Bid</u>
		\$ 24,350.000.00

Staff recommends reject all bids and rebid in the near future.

*Motion was made by Commissioner Kramer to reject the bid for lodge construction at Honey Creek Resort State Park and rebid the project in the near future. Seconded by Commissioner Francisco.*

Linda Hanson explained that not only is the department recommending rejection because the bid was over the department's cost estimate, but also because it was deficient in that the company did not identify unit prices.

Basil Nimry noted that unit prices are important to ensure that the bid is valid and balanced. He said unit prices are also used to control payments when the department does ongoing estimates for percentages of work completed as well as to dictate change orders for overruns or underruns in relation to modifying the project. Nimry described possible reasons why there was only one bidder when several had indicated interest and why that bid was so high. These included possible bonding issues, an active commercial market, lack of reliable subcontractors and timing of the project.

Mr. Nimry expressed that the department needs to do a better job of attracting contractors on a national level as well as regional area. He said that staff will be making personal phone calls to contractors to encourage them to bid and staff will work with local subcontractors who have formed consortiums in the past to take on larger projects of this magnitude. He said

subcontractors would also be encouraged to present themselves as a viable subcontractor. In addition, Nimry said they would break tradition and will release the department's bid estimate prior to the re-bid and they will make available information on comparable projects as part of the Notice to Bidders.

Commissioner Garst questioned whether delaying the re-bid opening for several months to potentially induce a lower bid on the project would be worthwhile. She suggested that timing could be a big issue.

Nimry stated that the plan is to schedule the bid letting for May 23. He explained that the bond issuance and bond revenue and repayments are based on that particular date. Discussion continued on other pros and cons of postponing the re-bid opening date for several months. Note was also made that a new law on advertisement of bids limits the department's ability duration-wise of advertising a minimum of 21 days in the newspaper and a maximum of 45 days to open the bids from the time the advertisement appears in the newspaper.

Linda Hanson explained that bidder conferences will be held and staff will get a feel from the contractors or potential vendors as to whether this date would cause an additional price increase. She related that the bidder conference is a great source of information. She said the project might have some leeway and will rely on information from the contractors to help us make informed decisions.

*Motion to reject the bid carried unanimously.*

**BID REJECTED**

**Honey Creek Resort State Park, Appanoose County – Cabin Construction**

This project consists of construction of twenty-eight (28) Cabins: individually constructed as four (4) cabins of 1 bedroom with loft, twelve (12) cabins of 2 bedroom with loft, ten (10) cabins of 4 bedroom with loft and two (2) cabins of 4 bedroom retreat cabins and incidental work as required by the Plans. Project is budgeted 100% in Honey Creek Resort Fund (see capital link item #171). DNR estimate is \$4,250,000. Sixty-eight sets of Plans were issued.

		<u>Total of Base Bid</u>
Vieco Development & Construction, Co., Inc.	St. Joseph, MO	\$ 4,929,000.00
Grooms & Company Construction, Inc.	Ottumwa, IA	\$ 5,277,000.00

Staff recommends reject all bids and rebid in the near future.

Linda Hanson reviewed that the low bid was considerably over the DNR estimate. She said the recommendation is to reject the bids and rebid in the near future.

*Motion was made by Commissioner Francisco to reject all bids for the Honey Creek Resort State Park cabin construction. Seconded by Commissioner Kramer.*

Basil Nimry said that the low bidder is a good company that we have worked with before but said that some flexibility is necessary in looking at the total of all the Honey Creek construction projects. He explained that the higher bid does limit what can be done relative to the lodge and other components of the other phases or packages of the whole project. Nimry said re-bidding may be an opportunity to reduce some costs and discussions with the low bidder indicates that may be the case.

Discussions continued with various suggestions for alternatives toward lowering bid prices for the lodge and cabins. Linda Hanson noted that an extensive group of people have spent a lot of time discussing different ways to approach the bids and discussing alternatives. She said discussions have included such things as moving the bid opening for the cabins back to a later date or having the lodge and cabins as one unit. Hanson said many options will be reviewed, and our consultants and our staff will be working hard to encourage vendors to bid on these two projects again.

*Motion to reject the bids carried unanimously.*

**BIDS REJECTED**

**Riverton Wildlife Management Area, Fremont County – Pump Replacement, Re-bid**

This project consists of the replacement of an existing diesel engine-driven pump with a 3-phase, 460 volt, 315 hp electric motor-driven pump with 30,000 gpm capacity including modifications to the existing pumping station and other related work as required by the Plans and the DNR Construction Inspector. Project is budgeted 100% Fish and Wildlife Trust Non-habitat Stamp funds. DNR estimate is \$220,000. Six sets of Plans were issued..

TEK Builders, Inc,

Mount Ayr, IA

\$298,967.00

Staff recommends rejection of the sole bid. Staff will evaluate options, re-design and rebid.

*Motion was made by Commissioner Kramer to reject the sole bid for pump replacement at Riverton Wildlife Management Area in Fremont County. Seconded by Commissioner Garst.*

Linda Hanson reviewed that the sole bid was very high and there is not money available to pay that amount. In addition, staff feels that the pump can be done for less money. Staff will evaluate other options and possibly re-design and re-bid the project later. Discussions continued regarding repairing the old pump for another season or possibly purchasing the pump ourselves and then seek installation.

*Motion to reject the sole bid carried unanimously.*

**BID REJECTED**

## GENERAL DISCUSSION

Announcement was made that three new appointees had been named for the Natural Resource Commission. They are Gregory Drees from the Okoboji area, Bill Bird from Lehigh and Janelle Rettig from Iowa City. Following confirmation by the Senate, they will be given the Oath of Office before their first meeting in May.

## NEXT MEETING DATES

The next meeting will be on April 12 at the Wapsi Environmental Education Center in Scott County.

## ADJOURNMENT

*Motion was made by Commissioner Francisco to adjourn the March 23, 2007 NRC meeting. Seconded by Commissioner Kramer. Meeting adjourned at 10:45 a.m..*

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Richard A. Leopold, Director

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Joan Schneider, Chairperson

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Elizabeth Garst, Secretary

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